

JOURNAL

ROYAL ARCHITECTURAL
INSTITUTE OF CANADA



National Housing Conference

Toronto, February 1939

Focus: Low-Rent Housing

Humphrey Carver

W.C. Clark

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Arthur B. Purvis

JOURNAL

ROYAL ARCHITECTURAL INSTITUTE OF CANADA

Serial No. 164

TORONTO, APRIL, 1939

Vol. 16, No. 4

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Editorial and Advertising Offices - - - - - 57 Queen Street West, Toronto
J. F. SULLIVAN, PUBLISHER

SUBSCRIPTION RATES

Canada and Newfoundland—Three Dollars per year. Great Britain, British Possessions, United States and Mexico—Five Dollars per year. All Other Countries—Six Dollars per year. Single Copies—Canada 50 Cents; Other Countries 75 Cents.

THERE can be few countries in the world which have done so little about low cost housing and the demolition of slums as Canada. It is doubtful indeed whether we have done anything except talk about it. For a time we became slum conscious and dwellings unfit for human habitation were destroyed either by the city or by the landlord who found his slum unprofitable. In any Canadian city empty parcels of ground can be seen which a few years ago were occupied by condemned dwellings. Where now are the original tenants? They have merely added to the congestion of already congested areas, and are living in houses which, while far below any standard of decent living, cannot under existing law be condemned as unfit for human habitation. They are sleeping three and four in a bed, they lack adequate heat, they have outside or basement toilets frozen for the greater part of the winter, but so long as they have a roof, and the walls are reasonably intact, they will not be condemned.

Not enough attention has been given to the fact that we cannot afford slums. The people of the United States have long ago decided that they could not. Their housing projects have been carried out on humanitarian grounds and as a stimulus to the building industry, but also as a matter of sound business. Research shows that the city slums not only are a menace to health and morals but are actually a calculable drain on all the city services out of all proportion to the taxes collected from them. The figures below from *Urban Housing* tell the story of slum costs in a few American cities of a size comparable with Toronto, Montreal and other Canadian cities.

COST OF SLUM MAINTENANCE

"Aside from any question of need for additional accommodations and their provision for the needy, is the problem of the slum with its cost in dollars and cents, and in human life and misery. The eradication of the evils adherent to blighted areas is a prime factor in any general housing program.

"The staggering cost to the public for the maintenance of slum areas has only recently been learned.

"During 1932, in a certain slum area in Cleveland, where 2.47 per cent. of the population of the city dwelt on 0.73 per cent. of the land area, the tax income was \$225,035, whereas the total cost of maintaining the section was \$1,972,437, or a net loss of \$1,747,402. Likewise in Indianapolis, in those areas of greatest economic drain, it has been found that taxpayers are spending each year for the maintenance of each person \$27.29, as against \$4 per person in other areas; 26 per cent. of the taxes spent for police, fire, health, and sanitary services are maintaining only 10 per cent. of the city's population. Thirty per cent. of the city hospital service in 1932 went into this area of 10 per cent. of the population. More than 33 per cent. of the public relief and 36 per cent. of the city expenditure for arrests, trials, and imprisonments were likewise absorbed by these 11 census tracts. Again during 1933, a study of a sub-standard area in South Boston of 769 families indicates an income of \$27,093.23 and expenses of \$275,113.74 or an excess of expenses over income of \$248,020.51. These figures, astounding as they may be, are typical in a general way of every city in America where there are slums and this means practically every one.

"In Cleveland this yearly loss represents a sum of money which at the end of 20 years could produce approximately 7,300 new 4-room dwelling units. In other words, it represents a burden on every taxpayer in the city which, if put into clearance and housing channels, would provide 7,300 new family units within 20 years, as well as eradicating at the same time an extremely evil social and economic condition."

So far as we know, similar figures are not available for Canada but if they were, humanitarian arguments might be dropped in favour of business arguments with considerable effect on Municipal, Provincial and Federal authorities. It might be a language more easily understood and would provide the politician with effective ammunition when he had to defend the expenditure of public money for the housing of the underprivileged Canadian.

THE NATIONAL HOUSING CONFERENCE 1939

As the Housing movement develops into a constructive stage it will from time to time be necessary to call together those who are responsible for its progress across the Dominion. The 1939 Conference, held in Toronto on February 20th and 21st, was the second occasion on which such a Conference has been convened.

WHEN the 1939 Housing Conference recently assembled in Toronto, national legislation for the provision of low-rent Housing had already been in existence for eight months. Although the provisions contained in Part II of the National Housing Act had been made in response to the demand of many public organizations concerned with the welfare and public policy of the Dominion, yet this legislation still remained inoperative. Thirty million dollars available for Housing remained unappropriated and unsolicited. Only one city, Vancouver, had actually obtained from its Provincial Legislature the right to use the Act and not one city had equipped itself with an authority for planning, building and administering Housing. In view of this static situation the conveners of the National Conference hoped to discover whether hesitation to use the Act should be attributed to the nature of the legislation itself, to the apathy of local governments, to the effective opposition of hostile interests or simply to lack of proper organization.

It is agreed that the National Housing Act has removed two of the principal obstructions in the path of Housing, by lowering the interest rate and by restricting local taxation on projects. The provision of a 90% loan to municipalities at 2% interest is regarded as a factor that should immediately place Canadian Housing in an enviable position. The limit placed upon local taxation of projects is also recognized as essential in relieving low-rent Housing of a financial burden which would otherwise negate the benefits of low interest and other administrative economies.

It is not unnatural that the proposed restriction of local taxation should call forth the opposition of some who represent the interests of the municipal tax-payers. It is feared that if the cost of municipal services supplied to tenants of Housing projects is not to be paid out of taxation on those projects, then that cost would have to be imposed upon property owners through increased taxation. This opposition is met with three kinds of argument:

(1) That where projects may be located in blighted areas, the limited taxation on new Housing (approximately equivalent to half the revenue at full assessment) would actually provide a more stable revenue than is derived from the present deteriorating properties.

(2) That the social benefits of modern Housing (in reducing the incidence and cost of sickness, crime, delinquency and other distress that arises out of bad Housing, would make new Housing a profitable investment for the municipality.

(3) That the promoters of Housing are partners with all owners of real estate in the attack upon the present system of municipal taxation. Since from every point of view Housing would benefit from a radical change in the base of local taxa-

tion, the apparent conflict between the interests of property owners and the promoters of Housing should indeed be transformed into an alliance of mutual interests.

Evidence was presented to the Conference to show that a family unit with two bedrooms could be provided under the Act to rent for about \$16 a month. It does not appear, however, that this figure would be obtainable on central sites or slum-clearance areas; nor was it made clear whether allowance was made for the provision of all those amenities which are now commonly regarded as an integral part of a properly designed Community Plan. Accepting the axiom that a family should not pay more than one-fifth of its income in rent, all households earning less than \$80 a month would be excluded from Housing that could not be rented for less than \$16 a month. Thirty-six per cent. of all city households in Canada are below this line and therefore the economic operation of the Housing Act cannot be said to provide Housing for "low-income" families.

Authoritative speakers at the Conference all alluded to the fact that no Housing Act can be expected to reach low-income families without direct government contribution to a rent-reduction fund or without a capital grant. In the 1938 National Housing Act it is proposed that the municipalities and the provinces should make rent-contributions; it was indicated, however, in the Conference discussions that this responsibility must ultimately be accepted by the Dominion Government. Meanwhile the Act could at least be used to benefit an income-group which cannot at present find proper accommodation at a reasonable rent. Although aware of this limited application of the Act, the Conference urged the provinces to provide enabling legislation in order that the Act could be put to practical trial. The Conference was reminded that the Act had been introduced as an experimental measure and that only a genuine effort to bring it into operation and only actual experience could form the basis of improved legislation in the future.

All who are concerned for the future of Housing in Canada must be aware of the extraordinary difficulty (if not impossibility) of obtaining action without the existence of any "promoting" organization. A Housing programme requires the active co-operation of public opinion with an entirely new technical personnel, with an unorganized industry, with at least three governmental bodies and with a multitude of diversified interests. There is at present not one single person in Canada whose time is devoted to the securing of such co-operation. This grave situation could be remedied if the Housing and Planning Associations (see page 78) possessed sufficient funds to carry out the kind of organization work suggested in the address by Mr. Arthur B. Purvis.

—Humphrey Carver.

LOW-RENT HOUSING LEGISLATION

By DR. W. C. CLARK

At the opening session of the Conference the Deputy Minister of Finance of the Dominion Government delivered the following address (presented here in an abridged form), explaining the terms of the National Housing Act, Part II.

IN the National Housing Act, 1938, the Dominion Government has sponsored a five-point attack on the housing problem. In the last few years the house-building industry has failed to recover more than a fraction of its pre-depression activity. This has caused a substantial volume of unemployment, and has been a powerful retarding influence on the restoration of normal business activity.

In the Preamble to the Act, it is recognized that "the task of providing adequate housing accommodation at rentals within the capacity of low income groups to pay, is, in its aspects of public health, morals and minimum living standards primarily a responsibility of the provinces and municipalities." Nevertheless, the Dominion Government feels justified in taking this step since "it is in the national interest that a limited experiment in low-rental housing should be undertaken now, creating needed employment and directing public attention to the importance of housing problems generally." It is also pointed out that the low level of building activity during the recent depression may affect adversely the employability and efficiency of the urban population by compelling the existence of housing conditions far below the minimum standards of health and efficiency, and that this decline in employability would, in turn, retard the full employment of the working population who are subject to these conditions.

Part II of the National Housing Act authorizes the Minister of Finance to make loans at very low interest rates to "local housing authorities" to finance the major part of the cost of constructing low-rental housing projects to provide decent, safe and sanitary housing accommodation, to be leased to families of low income at less than the economic rental.

The local housing authority may be a limited dividend corporation, or it may be a municipality acting directly, or it may be any society, association, corporation or commission acting on behalf of a municipality. If the authority is a limited dividend corporation, it is required to put up an equity capital equal to 20% of the cost of construction of a low-rental housing project and it must accept a limitation of dividends to not more than 5% of the capital stock. The loan of 80% of the cost of the project made by the Minister of Finance is subject to an interest rate of only 1¾% per annum. If the authority is a municipality, acting directly or indirectly, it may borrow up to 90% of the cost of construction from the Minister, such amount to carry an interest rate of 2% per annum. The remaining 10% of the cost which the municipality must provide may take the form of cash or land, or

both. In each case the amortization rate is 2% per year and this is sufficient to retire the loan in 35 years.

The Department of Finance has \$30,000,000 at its disposal for low-rental housing, to be allocated on the basis of the ratio between the population of the respective municipality and of the total urban population of Canada, as shown in the census of 1931. Each loan must not exceed \$2400 per family unit for limited dividend corporations, or \$2700 per unit for municipal corporations. If the project is soundly planned, of the most economic size and soundly constructed, the average cost per family housing unit should not exceed \$3000. If it does, the local housing authority must provide the excess amounts required. Any higher cost would indicate that insufficient study, skill and ingenuity had been shown in planning the project, or that something was wrong in the construction methods or practices, or that too expensive a view had been taken of the facilities that should be provided in a low-rental housing project.

Before a loan can be made, certain conditions must be fulfilled to insure the spirit of the Act. It must be shown that there is a need for a low-cost housing project. The site chosen must be suitable and the programme planned so as to assure reasonably competent and economic construction and operation. The municipality must agree to limit taxation on the property to 1% of the cost of construction during the term of the loan, and to exempt the income of the authority from all taxes. And if the authority is a municipal corporation, the province must guarantee the loan. That is, the Department of Finance must be provided with reasonable assurance that its investment will be safe.

In obtaining a loan from the Minister of Finance, the local housing authority will contract to maintain the low-rent character of the project. It will agree that no housing unit in the project will be leased to any family whose total income is equal to more than five times the economic rental of the unit. But the aggregate rent roll must be sufficient to pay the actual carrying charges of the project. These include interest and amortization charges on the loan, taxes (no more than 1% of the cost of the project), administrative costs, and if the authority is a limited dividend corporation, a dividend of no more than 5% of the paid-up capital.

The Act also provides for a voluntary rent reduction fund. If rents are too high because of high costs, to provide for the lowest income groups, the local housing authority may then negotiate with the municipality or with the Provincial Government or both, to make a wholly voluntary contribution to

a fund which will be used by the authority to reduce the rentals below the level which would otherwise be necessary.

Thus we see that the operation of the National Housing Act, 1938, Part II, depends on the co-operation of municipal, provincial and Dominion governments. The Dominion provides 80 or 90% of the total cost of the project, at approximately half the interest cost of these funds to the Dominion itself. This is equivalent to a capital subsidy. An 80% loan on a \$2700 housing unit would be \$2160. If instead of securing this loan at 1 3/4% it were necessary to pay 5 1/2%, the commercial rate, the interest and amortization charges would require a monthly rental of \$4.78 higher than is made possible by our legislation. On this basis, the Dominion contribution is equivalent to a rental subsidy of \$4.78 per month per average unit.

Only in one case is a contribution required of any provincial government and that is where the local housing authority is a municipality, acting directly or indirectly. Here, the Province must guarantee the Dominion loan. And even this should mean purely a formal statement if the rental schedule is properly planned. However, the Province may have to co-operate in passing legislation to enable the municipality to grant partial tax exemption to low rental housing projects if it does not already have the power to do so. The Province may also make constructive voluntary contribution to the rent reduction fund.

The municipality has definite contributions to make. If the authority is a limited dividend corporation, it must be granted a fixed tax rate of one per cent. of the cost of the project for the term of the Dominion loan, and it must agree to forego a further amount of taxes if the local authority does not make its full payments for interest and amortization charges on the loan. This second clause should be meaningless if the rental schedule is properly planned. If the local authority is a municipality, it would be relieved of this second requirement, but it would have to see that 10% equity capital were provided, probably in the form of land. The granting of a fixed tax rate of 1% was required because it was believed to represent the easiest way in which all Canadian municipalities could make the contribution which everyone will agree should be made by them to make possible the construction of low-rental housing projects within their borders. In Toronto, the municipality would be making an annual contribution equal to approximately \$31.00 per housing unit. On the basis of experience with slum-clearance projects in the United States,

tax revenues at the rate of 1% on original cost would seem to represent no loss at all as compared with the tax revenues now collected from slum areas. An even more important factor is the expenditure from tax revenues which is required to provide social services in slum areas which low-rental housing projects would seek to eliminate. For example, in Cleveland the tax income of one area was \$225,035, while the total cost of servicing was \$1,972,437. In slum areas, governments are spending from three to ten times what they are collecting in taxes. It is, therefore, no exaggeration to say that local governments are already subsidizing slums because of the disproportionate financial cost of social services in such areas.

It is obvious that the cost to the city of servicing slum families who are housed in new well-planned housing projects is far less than the cost of providing services to them in their former dilapidated, unhealthy, unsafe and dangerous dwellings. When dangerous structures which are fire hazards are replaced with fireproof housing projects, the cost of fire protection is drastically reduced. When dwellings which are unhealthful and lacking in sanitary facilities are replaced by decent sanitary housing, the cost of public health and sanitation services naturally decreases. When an environment which breeds crime and juvenile delinquency is supplanted by an environment conducive to the rearing of children, the expenditure will be reduced for crime prevention, police protection and punishment. When ill-planned and over-crowded slum areas are demolished and efficient large-scale housing projects are substituted, many other less striking economies can be achieved in public expenditures because these projects make it possible to reduce the cost of providing such public services as garbage removal, ash removal, protection from traffic menaces, maintenance of streets and sidewalks, and similar public facilities.

Housing projects must be locally conceived, locally constructed and locally administered, if they are to be adapted to local conditions. Co-operation is the keynote, because the Dominion Government has not the constitutional power to do many of the things that must be done, and because the municipal and provincial governments which have the constitutional power have not the requisite financial power. The greatest need is for private initiative, for practical business experience, for sound judgment, for freedom from local and partisan pressures, for constructive imagination in solving the various technical, legal, business and social problems involved in planning, constructing and administering a sound low-rental housing project.

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Representatives of the larger Canadian cities attended the Conference and reported the response which has been given to Housing legislation in their communities. The general nature of these reports is interpreted below.

VANCOUVER The City Charter of Vancouver has been amended to permit the city to use Part II of the Act. It is recognised that slum-clearance cannot be effected under the Act nor can Housing for the lowest income group be provided. To make a start, however, it may be advisable to begin by housing a higher income group. The Housing Committee of the City Council is in favour of using the Act because:

(1) The city is not at present in receipt of any revenue from the properties that would be used for a Housing project; low-rental Housing would produce at least some revenue.

(2) Improvement of housing conditions would reduce the cost of social services by improving the living conditions of large numbers of people.

(3) Without an Act of this nature neither private capital nor the municipality can provide low-rent Housing and conditions must become cumulatively worse.

Owing to the low cost of lumber and land, the Vancouver Housing Association believes that, under the Act, Housing could be provided to rent for \$15 a month (not including heat).

WINNIPEG A project to provide 474 family units has been submitted for the approval of the Minister of Finance. The cost per unit (including construction, architect's fee, cost of land, landscaping and interest) would be \$2,700. The minimum rent of a 2-bedroom unit would be \$15.65; with heat and hot water \$20.90; with refrigerator and electric stove \$22.00. Laundry facilities would be provided for every twelve units. The proposed site is 1½ miles from the centre of the city and is owned almost entirely by the municipality.

The project, taxed at its full assessment would produce a revenue of \$28,000. As taxed under restrictions of the Act it would produce revenue of \$15,800. The deficit of \$12,200 would represent the city's contribution to the project. It was pointed out that, to offset this deficit, the city would come into possession of the project fully amortised and unencumbered at the end of 35 year mortgage period.

In one district in Winnipeg there are 5,000 people living in 245 houses. The rents paid by the city for families on Relief average \$7.92 a room.

HAMILTON A representative of the City Council submitted the opinion that low-rent Housing could not be undertaken until the system of local taxation had been changed. The proposal to exempt Housing from local taxation would meet with the insistent opposition of home-owners who would be faced with an increased tax burden.

TORONTO Since the Housing Committee appointed by the City Council has not been provided with any funds it has been unable to make a thorough study of the application of the Act. It appears that the City Council is not prepared to provide such funds until the Provincial Government has indicated its willingness to provide enabling legislation. The City Council and the Provincial Government are unable to escape from this vicious circle on account of the obstructive attitude of those who represent the interests of property-owners.

The opinion is constantly expressed that low-income families cannot be housed under the Act without the application of a rent-reduction fund, and that the Dominion Government will have to accept responsibility for such a fund.

MONTREAL A project, endorsed by the city, is ready to be used as soon as the Provincial Government provides enabling legislation. The proposed site is not a slum area but is accessible to industrial employment. It is not considered that this project would increase local taxation.

There are over 1,000 slum dwellings unfit for habitation that cannot be closed on account of a housing shortage. Formerly 5,000-7,000 dwelling units were built each year but since 1930 there have been less than 1,000 a year built. To make up the back-log Montreal needs at least 5,000 low-rent dwelling units within the next 12 months. These could not be provided at appropriate rents without a rent-reduction fund.

HALIFAX The Nova Scotia Housing Act already permits municipalities to undertake Housing and this Act only needs amendment to conform with the National Housing Act, 1938. The Province has been prepared to support Housing with public credit at reduced rates and the city has already undertaken to exempt projects from taxation in lieu of a subsidy.

Halifax had prepared complete plans for a large project which was postponed when the new terms of the Housing Act were provided.

HOUSING IN THE UNITED STATES

By COLEMAN WOODBURY

As Director of the National Association of Housing Officials and in other capacities, Mr. Coleman Woodbury has played an important part in the development of the present Housing programme in the United States. His advice to the Conference, therefore, carried the weight of experience.

HOUSING on the south side of the border is rapidly becoming more than just a subject of conversation; it is becoming an economic and administrative reality. A few years ago, Housing was of interest only to a very small section of the population—social workers and church people interested in the welfare of the lower third. Today these groups, although still interested, are in the minority and in every large state you will find that groups of labor men, business men and prosperous citizens are taking over and doing things about Housing.

What are the arguments that have made Housing a matter of such wide public concern? First in time, but not in importance, is the humanitarian appeal. Everyone has known in general terms that physical and social ills are concentrated in the slums. But now we have learned in great detail just how serious the situation really is.

In Jacksonville we find, for instance, that thirty-two per cent. of all major crimes, and forty-two per cent. of social crimes, are committed in a section comprising less than 1.8 per cent. of the city's area. In Cleveland and Philadelphia the rate of juvenile delinquency was found to be three times as high as in the rest of the city.

In respect to health the case is even stronger. In Detroit there were almost three times as many cases of pneumonia per hundred thousand of the population in one small slum area as there were in the state as a whole. In Cleveland thirteen per cent. of the deaths from tuberculosis occurred in a slum area which covered only .73 per cent. of the city's area and contained 2.4 per cent. of its population.

The Basin district of Cincinnati, which contains only 27.8 per cent. of the population, and which covers 6 per cent. of the area, accounted for 64 per cent. of all major crime, 49 per cent. of the deaths from respiratory ailments, and 55 per cent. of all the fire losses.

And these figures are almost identical in the smaller cities.

From situations of that sort, statistics and maps have been built up which give a clear picture of the situation in the country as a whole, and it has been found that the increase in slums and the increase in juvenile delinquency and disease rates have coincided almost exactly. That, of course, does not prove that housing conditions are solely responsible, but it does stand to reason that, where housing and the other conditions are so inevitably connected, it must be one of the main contributory causes.

Now, these conditions, as they refer to the situation in human terms, had long been known to progressive citizens. To get something started, however, the humanitarian argument had to be supplemented by an economic argument.

What is the economic argument? Disease and delinquency are economic losses—wastage of human resources. The blight of slum conditions is spreading through the cities. We have schools, businesses, churches, left more or less stranded, used only to a small portion of their capacity, and at the same time we continue the duplication of these facilities in other areas. This is a wasteful and uneconomic form of growth, and if continued very long results in ruin for a great many investors. Considering this, we see that blight and slum conditions are not something that concerns only the social workers, but something that affects the investments and security of a large part of the community.

Not only is the blight spreading, but we are subsidizing it. We spend more on slums than we collect from them in taxes. The Cleveland Metropolitan Housing Authority compared the per capita costs of the various services in the slum areas and the rest of the city. These figures showed that the cost of police protection was \$11.50 in the slum area as compared with \$4.20 for the rest of the city, fire protection \$18.27 against \$2.74, public health work \$2.02 against 60c, and tuberculosis care \$3.04 against \$1.17.

These are expensive districts not only to the people who live in them, but to the rest of us, and if we are going to subsidize some of our districts, why do we not do it in decent areas instead of rotten ones?

There is one further argument, the gravity of which is being realized more and more every day. Anyone who believes in democratic government must admit that democracy has no chance of working unless certain minimum standards are applied. Just as you cannot have a democratic country when a large section of the population is illiterate and existing without the sources of information on which the rest of the population depends, so you cannot have democratic government if a large section of the population is so ravaged by poverty and disease or is so poorly housed that its outlook on life can never hope to reach even a decent minimum.

These arguments are all sound, but they argue only that something should be done. They do not argue for any specific line of attack.

In the United States we have experimented and discussed various types of action. One school of thought says that the

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problem can be solved by merely building new houses for the people with middle and upper incomes. These people will move into the new houses and the people in the lower income brackets will move into the houses left vacant, and their houses in turn can be torn down.

If any form of housing programme has been given an opportunity to prove its value it is this one, and we know that, as a matter of fact, it has not eliminated the slums or cut down the growth of the blighted areas. That is an observable fact. Actually, while mortgage interest, amortization and taxation costs may go down somewhat, the cost of maintenance and upkeep probably rise, and the landlord is caught between the mill-stones of a declining gross income and a rising maintenance cost. He is compelled to put more families into the same space, and cut down on maintenance and repairs, and once these steps are taken it is only a matter of time before a real slum develops. The handing down process does not work!

By another school of thought, we can stimulate private enterprise in a semi-philanthropic project such as a Limited Dividend Corporation that would be satisfied with a small return over a period of years. That plan may work successfully on a small scale and within certain limits, but as a large scale solution it is out of the question. Even the small rents that are asked put Housing beyond the reach of the slum dwellers.

We are attempting a solution through the United States Housing Authority. This is an agency of the government in Washington that makes loans to local Housing Authorities, which are departments of local municipal corporations. These loans total 90% of the cost of the development, and the balance of 10% has to be raised locally. They receive cash payments from the USHA and the local aid can be given either in the form of cash or reduced taxation on the property, the latter being the most common form of local aid.

Two hundred and twenty of these local authorities have been set up by state enabling acts; 160 have earmarkings for funds from the USHA, and we have made loans to a total of \$650,000,000; 75 have entered into binding contracts for loans and subsidies; 15 of the projects are now actually in the construction stage, and contracts let.

There are two objections that have been raised to this type of enterprise. One is that public enterprise will discourage private building. If we can build for the low income groups only at the sacrifice of a larger amount of building for the upper income groups, the project will create more serious difficulties than it solves. But I do not think that is true.

Consider what has happened in England. Despite the difference in the mode of living in Great Britain and in the United States, the plans of both are based on the same system of economic units. In England and Wales, 790,000 of such units have been built by local authorities, and 422,000 by private enterprise. Public projects have not discouraged private enterprise. On the contrary, from 1919 to 1937 there was an increase of between six and seven hundred per cent. in building societies and mortgage firms.

The USHA is intended to take care only of families of the low-income group who cannot afford to pay enough to give the private investor even a reasonable return for his enterprise. Local authorities have to submit to Washington evidence that there is such a group in their community, and that the project is planned solely to meet that group's needs.

The other objection is the old one that families that live in slums would not appreciate the better housing provided. I have seen many people taken from slums in England, and I have seen no coal in their bath tubs.

The general experience has been that 85% of families moved from slums to better houses respond immediately to the improved environment. Of the remainder, half show improvement in three or four years, and the remaining six or seven per cent. are incorrigible slum dwellers, although their children show the advantage of better conditions.

Better Housing is gaining ground, and not only is it helping the people who need it most, but it is providing a great deal of work in many trades that would be idle otherwise. We are providing an improved manner of life for a large section of the community. We are making mistakes, and no doubt Canada will make mistakes when it starts Housing. The two nations have many things in common. Both are nations of builders and pioneers and I believe that the future of democracy in both countries will depend on the provision we make for the upbringing of the next generation.

ORGANIZATION FOR HOUSING

By ARTHUR B. PURVIS

The formula for a complete Housing programme was submitted in the Report of the National Employment Commission, of which Mr. A. B. Purvis was Chairman. Although most of the proposals have subsequently been embodied in legislation, the absence of local organizations has held up the development of low-rent Housing, as Mr. Purvis pointed out at the final meeting of the Housing Conference.

THE reasons that have made us all feel that the Dominion Government is justified in entering the field of Housing are threefold:

(1) Since the burden of relief is falling in ever greater measure upon the Dominion Government, and since the largest proportion of employable people on relief are potential workers in the construction industry, therefore, the employment value of a Housing programme is of great importance to the Dominion.

(2) There is no other field where the Dominion can obtain a greater economy in its share of employment aid, since a Housing programme would stimulate employment in an industry where 60% of the money spent is believed to go directly or indirectly to labour.

(3) The Dominion Government is in the business, whether it likes it or not. In 1936, governmental bodies spent \$14,000,000 for housing those on relief, in accommodation that was frequently unsafe and uninhabitable.

There are, of course, difficulties in the way of any government coming into the field of Housing. Housing construction and repair has never been the concern of big industries and there have not been those economies in production and distribution that are commonly associated with the large industries. The market for Housing has been severely restricted because of the high costs of construction. These costs have made it necessary for the individual owner to mortgage his future earnings to such a point that he has hesitated to indulge in such a luxury. Also the prospective home-purchaser is not certain that his opportunities of work are going to remain in one particular locality and so he has had to bear in mind the difficulties of getting his investment out, should he have to sell. And, above all, he has had to bear in mind the high rate of taxation on real estate and the possible loss of investment through inability to pay that taxation.

Normal conditions of residential construction will return only when the investment of private capital without government assistance is warranted. This depends on low costs and on low taxes, conditions very doubtful of immediate achievement. Meanwhile, in view of the urgency for action, the problem has been how to bridge the gap until these more normal conditions arrive. We must have a comprehensive programme providing for all phases of Housing, that can be carried out promptly.

Almost two and a half years ago, following upon recommendations made by the National Employment Commission, the Prime Minister (on September 9th, 1936) announced the following comprehensive Housing policy:

(a) The adoption of a plan to stimulate the repair of existing dwellings . . . the Home Improvement Plan.

(b) A liberalization of the existing Dominion Housing Act to stimulate the construction of new houses for those able to make an equitable payment for ownership.

(c) New legislation to provide Housing for those people who are unable either to put up an equity or to pay an economic rental.

The National Employment Commission visualized a nation-wide community effort to promote all sides of this programme and it expected to play an important part in helping the Government to promote such plans. Unfortunately, legislative action dealing with new construction was delayed until the National Housing Act came into operation in June, 1938, and as a result the National Employment Commission had no part in promoting this vital section of the programme. Meanwhile, in the promotion of the Home Improvement Plan the Employment Commission was able to get five hundred local committees and, in addition, got together a fund of some \$300,000, put up by industry and community-minded citizens, to support the work of the committees.

In June, 1938, the National Housing Act was brought in. The Government decided to carry out its own promotion work on this phase of the programme. In the few months which have elapsed since this legislation was enacted 3,000 loans have been made to the purchasers of homes, but no scheme has been launched either by a private Housing Corporation or by a municipality to provide low-rental Housing.

Throughout the country there seems to be a lack of the kind of organization which can afford to embark upon large projects for low-rental Housing. In order to take advantage of the legislative facilities provided by the Government there must be organized community understanding of and support for the programme that has been offered. Something akin to the very successful organization provided to launch and develop the Home Improvement Plan has got to be added to the other branches of the Government Housing policy. As Mr. Dunning himself pointed out when he introduced the National Housing Act, it is one thing to have a legislative programme, but what is involved in the final analysis is an experiment in national co-operation. The machinery for this co-operation should have at the base a central set-up which has the blessing of the Dominion Government. It should be voluntary and non-political by nature. It should be organized on a nation-wide scale with a common background of policy, and it should be of a character that will enable it to harness the forces of local pride in local achievement.

HOUSING

RESOLUTIONS OF NATIONAL CONFERENCE ON HOUSING, 1939

1. RESOLVED that in the opinion of this Conference, the legislation embodied in Part II of the National Housing Act, 1938, is, in general, soundly conceived and that those Provinces which have not already passed the necessary enabling legislation be urged to do so; and that a copy of this resolution be forwarded to the Federal and Provincial Governments and to the Canadian Federation of Mayors and Municipalities.
2. WHEREAS it has been reported that certain groups interested in the provision of low-cost Housing have advocated a lowering of existing wage-scales in the building industry as now fixed by Provincial Fair Wage Acts, and WHEREAS the building industry as a whole has not yet succeeded in its efforts to nationalize either its organization or its building technique, and WHEREAS it would only aggravate the existing housing situation if the purchasing power of this section of wage-workers were to be further depressed, RESOLVED that this Conference declares that a contemplated lowering of existing wage-scales in the building industry is a faulty approach to the problem and that lower building costs should be achieved by improved organization and building methods.
3. WHEREAS the need for low-rent Housing is an urgent and pressing need extending from Coast to Coast in the Dominion and WHEREAS it is the opinion of this Conference that many Housing projects will be undertaken for the relief of this situation in the very near future and WHEREAS the Dominion Housing Administration is presently carrying on research which will be of practical and material benefit in the promotion of these projects, it is hereby RESOLVED that this Conference recommend to the Dominion Government that it provide for the continuation of this work and its amplification and also that the results be publicized as quickly and as effectively as possible.
4. RESOLVED that a representative National Housing Conference be convened approximately twelve months from this date and that the principal purpose of this Conference be to examine the operation of the National Housing Act and to determine whether it has been effective in providing Housing for low income families and that the Standing Committees of this 1939 Conference be empowered to appoint a National Committee for this purpose.

THE STANDING COMMITTEE APPOINTED BY THE CONFERENCE:

<i>Chairman:</i> Mr. A. S. Mathers - - - - - Toronto	<i>Secretary:</i> Mr. H. S. M. Carver - - - - - Toronto
Mr. George S. Mooney - - - - - Montreal	Mr. Ralph Ham - - - - - Winnipeg
Mr. Hazen Sise - - - - - Montreal	Mrs. Grace MacInnis - - - - - Vancouver
Dr. S. H. Prince - - - - - Halifax	Professor E. J. Urwick - - - - - Toronto

Following upon the first National Housing Conference (Ottawa, 1937) there have developed a number of Housing Associations which form a skeleton organization throughout the Dominion. It is hoped that as the Housing movement develops, and as funds are secured, that these associations will be able to carry out the necessary promotion of public interest, and that they will form local clearing houses for information, and that eventually their activities will be linked together by a National Housing and Planning Association. The organizations at present in existence are as follows:

VANCOUVER HOUSING ASSOCIATION
Chairman - - - - - W. S. Owen
Honorary Treasurer - - - - P. R. V. Stratton
Honorary Secretary - - - - John Jopson, Jr.
 626 West Pender Street

GREATER WINNIPEG HOUSING AND PLANNING ASSOCIATION
President - - - - - W. McCurdy

ONTARIO HOUSING AND PLANNING ASSOCIATION
Chairman - - - - - Wilfred Heighington
Honorary Treasurer - - - - C. A. Shearson
Honorary Secretary - - - - H. S. M. Carver
 86 Queen's Park, Toronto

OTTAWA HOUSING AND PLANNING ASSOCIATION
Chairman - - - - - Dr. T. H. Leggett
Honorary Secretary - - - - H. L. Seymour
 87 Cartier Street

MONTREAL HOUSING COMMITTEE
Honorary Secretary - - - - George S. Mooney
 10 St. James Street East

NOVA SCOTIA HOUSING COMMISSION
Chairman - - - - - G. F. Pearson
 Dr. S. H. Prince
 Halifax

NATIONAL HOUSING AND PLANNING ASSOCIATION

Secretary of the Provisional Committee:
 George S. Mooney, 10 St. James Street East, Montreal, Quebec

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These members will all be on the look out in their respective districts for new buildings that should be published in the *Journal*, but members can save the Editorial Board a great deal of trouble by sending work direct to their representative without being asked. We shall continue to publish British and foreign work, but Canadian building will always be of first importance. We can secure photographs only through the activity of the Editorial Board members and the co-operation of their fellow architects.
